

OGC 78-4356  
5 July 1978

OLC #78-2662

06c

MEMORANDUM FOR: Deputy Director for Administration  
Deputy Director for Science & Technology  
Deputy Director for Operations  
Deputy to the DCI for National Intelligence  
Deputy to the DCI for Resource Management  
Deputy to the DCI for Collection Tasking  
Director, Equal Employment Opportunity  
Director of Public Affairs  
Acting Legislative Counsel  
Inspector General  
Comptroller  
Executive Secretary

FROM : Anthony A. Lapham  
General Counsel

SUBJECT : Conflict of Interest--Employment and  
Financial Interest Statements

1. Certain Agency employees are required by  to file financial interest statements each year. This memorandum indicates the categories of personnel who must file, and outlines procedures for submission and review. The statements to be filed in this annual round should reflect financial interests as of 30 June 1978. The purpose of the requirement is to enable the Agency to determine the existence of a conflict, or apparent conflict, of interest, and thus to permit appropriate action to remove the conflict.

2. Agency personnel required to file such statements (Form 2630) are those personnel (see ):

(a) paid at a level of the Federal Executive Salary Schedule; or

(b) classified at GS-13 or above, or at a comparable pay level, in positions determined by the appropriate Deputy Director, Operating Official, or Head of Independent Office to be positions whose incumbents are responsible for making a Government decision or taking a Government action regarding (1) contracting or procurement; (2) administering or

monitoring grants or subsidies; (3) regulating or auditing private or other non-Federal enterprise; or (4) other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise; or

(c) classified at GS-13 or above, or at a comparable level, in positions which the appropriate Deputy Director, Operating Official, or Head of Independent Office has determined to have duties and responsibilities which require the incumbent to report employment and financial interests in order to avoid involvement in a possible conflict of interest.

STAT However, employees covered by paragraph (b) above may be excluded from the reporting requirement by an appropriate determination that the employee falls within paragraph (d) of [redacted]. Under that paragraph, employees are excluded from the reporting requirement if the designating official determines that the duties of the employee are such that the likelihood of a conflict is remote, the degree of supervision is such that a statement need not be filed or that any conflict would have only an inconsequential effect "on the integrity of the Government."

3. I suggest that your instructions require submission of all statements to you by 31 July and that you complete your review not later than 31 August. Procedures for submissions are prescribed by paragraph (4) of [redacted]. I suggest also that, upon review, each statement be marked as reviewed and approved and show the date of such action and the initial or name of the approving official. Those statements which do indicate a conflict or raise a question of conflict of course cannot be marked as approved; those should be forwarded to this Office for our review and advice. The regulation is unclear as to the submission of statements of addressees, or for the review of such statements. I suggest that your statements, and those of your deputy, be forwarded for my review also.

4. The review required is designed to determine whether "the duties of the employee involve the organizations, persons, or real property in which the employee has a financial interest or an employment relationship." As the instructions accompanying Form 2630 indicate, the relevant financial interests are those of the employee, his spouse, his minor children, and members of his family who reside with him.

5. It is my responsibility to ensure that the steps outlined above have been taken and that the Agency is in compliance with applicable law and regulations. Therefore, I ask that each of you submit to me by 15 September a report which contains the names of your employees required to file statements, the number received, and the results of your review, such as the number approved and those awaiting final resolution. In the latter case, you should briefly summarize the problem and how you are handling it. Supplementary reports should be made every thirty days until you have received and reviewed financial statements from all employees required to submit them.

6. Members of this Office will be available to advise and assist in the review of statements of employment and financial interest and in other areas as needed. If you have any questions, please feel free to call me or

Anthony A. Lapham

STA